

FIRST UNION RAIL

One O'Hare Centre
6250 River Road, Suite 5000
Rosemont, IL 60018

Tel 847.318.7575
Fax 847.318.7588

RECORDATION NO. 24251-F FILED

AUG 11 '05

3-12 PM

SURFACE TRANSPORTATION BOARD

VIA UPS 2nd DAY AIR

August 9, 2005

Mr. Vernon E. Williams
Surface Transportation Board
1925 K Street, N.W., Room 704
Washington, DC 20423-0001
Attn: Recordation of Railroad Equipment

Re: Memorandum of Lease Agreement

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are three (3) originals of a Memorandum of Lease Agreement, dated January 3, 2005, a secondary document as defined in the Board's Rules for the Recordation of Documents. The enclosed document relates to the Lease Agreement which was duly filed with the Commission under Recordation Number 24251. The names and addresses of the parties to the enclosed document are:

Lessor: First Union Rail Corporation
One O'Hare Center
6250 River Road, Suite 5000
Rosemont, IL 60018

Lessee: Union Pacific Railroad Company
1400 Douglas Street, MC 1110
Omaha, NE 68179-1110

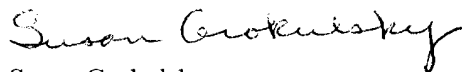
A description of the railroad equipment covered by the enclosed document is covering forty (40) 66' gondola railcars with 5'6" sides, cars marked CHTT (see Exhibit A for car numbers).

A short summary of the document to appear in the index follows: Memorandum of Lease

Also enclosed is a check in the amount of \$33.00 payable to the order of the Surface Transportation Board covering the required recordation fee. Kindly return one (1) stamped original of the enclosed document to the undersigned along with the additional copies.

If you have any questions regarding the above-referenced matter, please contact me at (847) 384-5355. Thank you for your cooperation in this matter.

Very truly yours,


Susan Grokulsky
Manager of Documentation

Enclosures

(UP126)

MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE (the "Memorandum") is made and entered into as of this the 3rd day of January, 2005 by and between First Union Rail Corporation ("Lessor"), a North Carolina corporation, and Union Pacific Railroad Company ("Lessee"), a Delaware corporation.

WITNESSETH:

The undersigned Lessor and Lessee have entered into that certain Lease Agreement (the "Lease"), dated as of April 1, 1997, whereby Lessor has agreed to lease to Lessee certain railcars pursuant to Rider No. 19 to the Lease (the "Rider"), as described in more particular on Exhibit A attached hereto, effective as of MARCH 1, 2005 subject to the terms, conditions and provisions of the above-mentioned Lease and Rider.

IN WITNESS WHEREOF, the parties hereto have each caused this Memorandum to be duly executed under seal by their respective officers duly authorized as of the date and year first above written.

LESSOR:

FIRST UNION RAIL CORPORATION

ATTEST:

By: Richard F. SeymourName: RICHARD F. SEYMOUR

Vice President Sales & Marketing

Title: _____

By: Theresa CatapanoName: THERESA CATAPANOTitle: MGR. OF DOCUMENTATION Executed on this 3rd day of JANUARY, 2005

[CORPORATE SEAL]

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STATE OF ILLINOISCOUNTY OF COOK

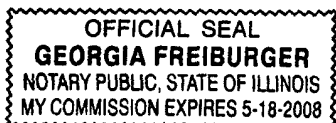
I, GEORGIA FREIBURGER, a Notary Public of the County and State aforesaid, certify that RICHARD F. SEYMOUR personally appeared before me this day and acknowledged his due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 3rd day of January, 2005

Georgia Freiburger
Notary Public

My Commission Expires:

5-2008
(Notary Public)



LESSEE:

UNION PACIFIC RAILROAD COMPANY

By: Karen A. Watson

Name: _____

Title: _____

Karen A. Watson
General Director -

Mechanical Purchasing

ATTEST:

By: Deborah L. Vornbrock

Name: Deborah L. Vornbrock

Title: Paralegal

Executed on this 17th day of December, 2004.

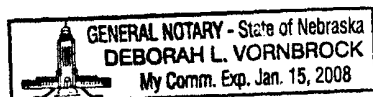
[CORPORATE SEAL]

STATE OF NEBRASKA

COUNTY OF DOUGLAS

I, Deborah L. Vornbrock, a Notary Public of the County and State aforesaid, certify that Karen A. Watson personally appeared before me this day and acknowledged his due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 17th day of December, 2004.



Deborah L. Vornbrock
Notary Public

Commission Expires:

1/15/08
(Notary Public)

EXHIBIT A to MEMORANDUM OF LEASE

NUMBER OF UNITS:

Forty (40)

DESCRIPTION OF UNITS:

66' gondola railcars with 5'6" sides, loading to 286,000 lbs., 1999 built. Equipment description includes constant contact side bearings and adaptor plus.

UNIT NUMBERS AND MARKS:

CHTT	360200
CHTT	360201
CHTT	360202
CHTT	360203
CHTT	360204
CHTT	360205
CHTT	360206
CHTT	360207
CHTT	360208
CHTT	360209
CHTT	360210
CHTT	360211
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